

J. Hammond



# County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

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Chief Administrative Officer

October 5, 2004

To: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

From: David E. Janssen  
Chief Administrative Officer

Board of Supervisors  
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## FEDERAL NON-APPROVAL OF TARGETED CASE MANAGEMENT PROGRAMS

This is to update you concerning the Federal Centers for Medicare and Medicaid Services' (CMS) non-approval of additional Adult Probation or Public Guardian Targeted Case Management (TCM) programs for Fiscal Year 2003-04. The State Department of Health Services (SDHS) notified CMS they will appeal this decision and request impacted counties to provide legal support.

We are continuing to work with Auditor-Controller, County Counsel, and other departments to assist the State in its appeal. County Counsel will provide legal assistance to the State legal counsel through the appeal process.

Attached is a public information packet we developed based on information from Probation Department, Public Guardian, and a survey done by Local Government Agency (LGA) Consortium of participating counties. This material is being distributed to impacted counties by the LGA Consortium.

If CMS decision stands, Probation Department will lose federal Title XIX funding for their TCM program. For Fiscal Year 2003-04 the Title XIX reimbursement would be \$485,409, and is projected to double for Fiscal Year 2004-05. No revenue has been received for the Probation TCM program and none is reflected in this year's budget. The Public Guardian's TCM program is a previously approved program and will not be affected at this time.

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We will continue to keep your Board apprised. If you have any questions or need additional information, please contact me or your staff may contact Lari Sheehan at (213) 893-2477, or [lsheehan@cao.co.la.ca.us](mailto:lsheehan@cao.co.la.ca.us).

DEJ:LS:EB

Attachment

c: Auditor-Controller  
Chief Probation Officer  
Director Department of Mental Health

# LGA Consortium of Counties

for California MAA/TCM Program

## Probation Impact

**What:** The Federal Centers for Medicare and Medicaid Services (CMS) has notified the California State Department of Health Services (SDHS), that CMS will not approve Adult Probation and Public Guardian Targeted Case Management (TCM) programs that began providing services in July-2003.

**Who:** High-risk persons:

- with a medical and/or mental condition, in need of assistance
- who have exhibited an inability to handle personal or other affairs,
- at risk of abuse or neglect,
- at risk of institutionalization, and
- abusing alcohol or drugs.
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**When:** CMS notified the State on July 6, 2004.  
Fifteen California counties have been providing case management services to these high-risk populations since July 1, 2003. Now these counties are being told they will not be paid by CMS.

### Counties Impacted:

Alameda	Del Norte	Fresno
Glenn	Lassen	Los Angeles
Monterey	Sacramento	San Bernardino
San Luis Obispo	Santa Barbara	Stanislaus
Trinity	Tulare	Ventura

### Other Facts:

- ▶ TCM is funded by Title XIX, Medicaid funding (federal medical funding for the poor and disabled).
- ▶ California already receives the lowest per person amount of Medicaid funding of any state in the United States, \$2,068 per enrollee. The nationwide average is \$3,762 per enrollee.<sup>1</sup>
- ▶ Targeted case management for Adult Probation and Public Guardian was approved by the Federal government and went into effect January 1, 1995. The regulations have not changed but are being re-interpreted by CMS to reduce their Medicaid costs.

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<sup>1</sup> Kaiser Family Foundation, State Health Facts <http://www.statehealthfacts.kff.org/cgi-bin/healthfacts.cgi?action=compare&category=Medicaid+%26+SCHIP&subcategory=Medicaid+Spending&topic=Medicaid+Spending+per+Enrollee>

# LGA Consortium of Counties

for California MAA/TCM Program

## Probation Impact

**Program Services:** Adult Probation Targeted Case Management (TCM) services are provided to adults on probation to help them access needed medical, social, educational and other services. These services optimize the chances that probationers will take responsibility for addressing his/her needs.

Counties target certain high-risk probationers for TCM services. The caseload types targeted by counties vary and include but are not limited to child threat offenders, domestic violence offenders, the mentally ill, illegal drug users, and those with the most severe health and human services needs.

TCM augments and enhances the traditional duties associated with probation (monitoring and enforcing the specific court orders that are given when the probationer is granted probation).

**Impact on Communities:** Counties have found TCM services make it possible for high-risk offenders to receive health, mental health and other human services making it less likely probationer will violate conditions of probation, improving the safety to their families and the community.

### ***Termination of TCM services will:***

- ▶▶ Eliminate the only contact with community services for many of these probationers. TCM makes it possible for referrals to be made and follow-up to be done to ensure probationers receive necessary substance abuse treatment, STDs (sexually transmitted disease) treatment, and mental health evaluations and treatments.
- ▶▶ Increase the birth rate of drug-addicted babies. The increased lifetime medical, rehabilitative, social, mental and educational cost of **each** drug-addicted baby is \$1 million.<sup>2</sup>
- ▶▶ Counties also expect increases in criminal offenses, an increase in the number and cost of incarcerations, and a potential increase in the placement of children exposed to family violence and violent offenders.

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<sup>2</sup> OJP Drug Court Clearinghouse and Technical Assistance Project; Estimated Costs Related to The Birth of a Drug and/or Alcohol exposed baby; March 2002. <http://www.american.edu/spa/justice/publications/babies.pdf>

# LGA Consortium of Counties

for California MAA/TCM Program

## Probation Impact

**Impact on County Probation Programs:** Impact on the counties varies depending on the size of their TCM programs and the populations they serve. Counties have projected elimination of TCM services to caseloads ranging from 60 to 10,200 probationers, and eliminating many of the Deputy Probation Officer positions now providing TCM services.

The Fiscal Year 2003-04 estimated Federal share of the eliminated Adult Probation TCM programs would be approximately \$5.4 million. To put this in perspective, if each year the Adult Probation TCM programs prevents just six drug-addicted babies (\$1 million per baby of lifetime costs), the savings would more than equal the cost reductions made by CMS' decision not to approve new TCM Adult Probation programs.

**Case Studies:** Here are two actual Adult Probation TCM case studies. Identifying information has been changed or removed to protect the probationer's confidentiality.

1. Probationer James Ngyuen was ordered by the court to work with the probation officer in order to seek and attend drug treatment counseling as a result of a conviction for 11377(a) PC. Probationer had a lengthy arrest history dating back to 1993 for a variety of offenses, many of which were substance abuse related.

TCM services included a strength-based needs assessment that was completed for Mr. Ngyuen in March-2004. It was found that Mr. Nguyen had a number of strengths working in his favor, including:

- Available health care,
- A connection to a faith-based group,
- Economic stability
- Employment
- High-school diploma
- Stable housing
- A positive attitude and willingness to work on problems
- Transportation

These factors were used by the Deputy Probation Officer to address the following identified needs:

- A need for substance abuse counseling
- A need to register as a narcotics offender

# **LGA Consortium of Counties**

**for California MAA/TCM Program**

## **Probation Impact**

The Deputy Probation Officer was able to create an individual service plan along with Mr. Ngyuen, and refer the probationer to a community based counseling program, where he was able to find the intensive substance abuse counseling he needed.

In March-2004 Mr. Ngyuen was before the court for a progress report. The report stated to the court, that he is doing well in the counseling program and making positive strides. He was allowed to continue on probation and encouraged to continue making progress.

2. Probationer Carl Landson was convicted of 288 (a) PC, (Lewd Act on Child) and granted formal probation. He was placed on a TCM Child Threat caseload.

A Strength-Based Needs Assessment conducted during the month of July-2003 showed that although Mr. Landson had many strengths, he needed help with obtaining mental health counseling, specifically related to sex offenders. In addition, he needed help in obtaining employment, education, and childcare for his two children.

The Deputy Probation Officer was able to work along with him in order to create a viable service plan that addressed these needs, and referrals were made to the proper service provider, as well as a plan for obtaining education, employment and childcare.

A check of current records shows that the probationer's childcare issues have been resolved, he is gainfully employed, he has managed to purchase a house for his family and is attending a community college. Has been regularly attending and continues to attend monthly counseling sessions with a Licensed Clinical Social Worker since July-2003.

# LGA Consortium of Counties

for California MAA/TCM Program

## Public Guardian Impact

**Program Services:** Public Guardian provides a vital service to persons unable to properly care for themselves or who are unable to manage their finances. The service is provided through a legal process known as conservatorship. Through the conservatorship laws in California, the Public Guardian becomes the substitute decision maker for vulnerable populations, such as the frail elderly and persons with severe and persistent mental illness.

Targeted Case Management (TCM) provides the full spectrum of TCM services (assessments, service plan developments, linkage and consultation, access assistance, crisis interventions, and periodic reviews) needed by these high-risk populations.

TCM services are provided to adults who have demonstrated chronic mental problems or cognitive impairments. It is difficult for individuals with these deficits to access and/or accept traditional medical services. They are often found in dangerous living arrangements and are frequently unable or unwilling to maintain a stable living environment without assistance. Many of them are elderly or dependent adults who have been abused, neglected or exploited. Most of them have had difficulty applying for Medi-Cal.

**Impact on Communities:** Counties have found that without TCM services many would gravitate back to substandard, unstable living arrangements or be subjected to abusive or neglectful circumstances. Many would fail to access treatment until an emergency situation arose.

### ***Termination of TCM services will:***

- ▶▶ Result in an increase in the homeless population, and an increase in the number of elderly adults who are subject to abuse or neglect.
- ▶▶ Place additional demands on adult protective services agencies and on acute hospitals. Increasing most dramatically the most expensive services, crisis interventions and hospitalizations.
- ▶▶ Counties also expect increases in victim related crimes and incidences with the homeless and mentally disabled population struggling in the community.

# LGA Consortium of Counties

for California MAA/TCM Program

## Public Guardian Impact

**Impact on County Public Guardian Programs:** Impact on the counties varies depending on the size of their TCM programs and the populations they serve. Counties have projected elimination of TCM services to caseloads ranging from 55 to 5,500 clients, reducing the level of services available them, and negatively impacting other county, state and federal agencies. These agencies include (1) health and mental health facilities, (2) mental health departments, (3) law enforcement, detention facilities and courts, (4) social service departments, (5) social security, and (6) homeless shelters.

The estimated Federal share of the eliminated Public Guardian TCM programs would be approximately \$1 million. The elimination of TCM services would result in an increase in the number of elderly adults who are subject to abuse or neglect. These increases would place additional demands on adult protective services agencies and on acute hospitals. The most expensive services (crisis interventions and hospitalizations) would increase dramatically.

**Population Served:** The majority of individuals coming into the Public Guardian setting suffer from some type of mental impairment and/or physical disability which affects their ability to function on their own in society. This includes the elderly who may be suffering from dementia or Alzheimer's. Other Public Guardian clients are victims of abuse from their families and friends. Still others are in need of assistance to put their lives back together.

Although the profile of the population needing Public Guardian services varies from County to County, one county reports:

Approximately 80% have serious physical health problems. Almost all are poor, isolated and lack family and social support. Nearly 20% have a criminal history and one-third are over the age of 65. Over 20% of Public Guardian clientele have a documented history of homelessness and another 20% to 30% are considered to be at risk of homelessness.

**Case Studies:** Here are two actual Public Guardian TCM case studies. Identifying information has been changed or removed to protect the individual's confidentiality.

1. Lisa Walters was a 40-year-old female when she was initially referred to the Public Guardian as a candidate for conservatorship. Ms. Walters had inherited her parent's home. She was not able, however, to pay her bills because of a mental disorder.



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## **Public Guardian Impact**

Relatives reported that Ms. Walters was living in the house with no electricity and very little food in the house. She had not paid the property taxes and the property was subject to a tax sale.

After conducting an investigation, the Public Guardian sought a conservatorship of Ms. Walters' person and estate. At the time of appointment, she had no income and her application for Supplemental Security Income (SSI) had been denied. Ms. Walters' extended family paid utility expenses. The only government benefit she received was food stamps.

The Public Guardian initial assessment indicated that she needed medical treatment, income and assistance in preventing the sale of her home because of a tax lien.

The Public Guardian filed an appeal for SSI benefits and was able to forestall the sale of the property due to non-payment of property taxes. Counseling was necessary to prepare Ms. Walters for the eventual sale of her home and the move to an apartment. Even if she became eligible for SSI benefits her income would be inadequate to pay her current expenses, property insurance and taxes.

Her medical condition also needed to be addressed so applications were made to apply for Medi-Cal to ensure access to doctors and medication.

Within a two months, her SSI appeal was granted and she received her benefits. Eventually she was convinced of the need to sell her home because of the outstanding property taxes and the inability to maintain her home. The Public Guardian was also involved in settling a claim for an automobile accident.

Eventually her home was sold and she accepted placement in a board and care facility, where she continues with treatment.

2. Jay Pierce, is a 57-year-old man who was living independently in an apartment, when a referral was made to the Public Guardian.

The Public Guardian's initial contact with Mr. Pierce was to assess the need for the conservatorship appointment. The assessment showed that he was unable to maintain housing without assistance. It also showed that he did not have sufficient medical coverage. A written evaluation was submitted to the court and as a result, the Public Guardian was appointed as the conservator in July-2001.

# **LGA Consortium of Counties**

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## **Public Guardian Impact**

As the conservator, the Public Guardian conducted an assessment and developed a service plan to provide needed services to Mr. Pierce, including adequate housing. Another element of the service plan was to help him gain access to needed medical care. He was found eligible for Medi-Cal Benefits. Once His Medi-Cal benefits were in place, arrangements were made for Mr. Pierce to obtain medical services.

From the beginning, the Public Guardian followed up with Mr. Pierce's apartment manager to ensure he was following all rules and was not in danger of being evicted. Personal face-to-face visits were also made to ensure that he maintained adequate housing and was compliant with medical recommendations.

Unfortunately, Mr. Pierce's behavior eventually led to an eviction notice. The Public Guardian then arranged for placement in a board and care facility in May-2004. The Public Guardian met with the client and the administrator of the board and care facility to formulate a plan for his move. On his behalf, the Public Guardian signed the residential admission agreement.

Without the intervention of the Public Guardian, Mr. Pearson, who does not have the ability to maintain adequate housing, would not have a secure place to live. He would not be receiving adequate medical care because of his inability to access the Medi-cal program.